

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

NICOL ALLEN,

Plaintiff,

v.

FIRST FEDERAL CREDIT
CONTROL, LLC,

Defendant.

Case No. 22-11910
Honorable Laurie J. Michelson

**OPINION AND ORDER DENYING FIRST FEDERAL'S
MOTION FOR SANCTIONS [18]**

This case began as a result of a dispute comment on a credit report but has evolved into something larger. Nicol Allen alleged that First Federal Credit Control, LLC reported a debt on her credit disclosure with a dispute comment, though she no longer disputed the item. First Federal and other like entities have been sued in several similar cases involving the proper reporting of items on credit reports as disputed or not disputed. In many of the cases, the plaintiffs are represented by Credit Repair Lawyers of America. First Federal has revealed some concerning aspects about the allegations raised in these cases and how these cases are litigated.

As a result, First Federal filed a motion for sanctions in this case against Credit Repair Lawyers of America, which prior to this motion, withdrew as Allen's counsel. (ECF Nos. 13, 18.)

But the motion for sanctions has some concerning aspects, too. For one, it appears that First Federal's counsel engaged in communications with Allen during

the period of time the Court gave her to find new counsel to represent her. (See ECF No. 13, PageID.66 (staying case for 30 days so Allen had the opportunity to retain new counsel).) Additionally, Credit Repair Lawyers of America's response brief attaches correspondence that calls into question several of the arguments raised in the sanctions motion. For example, First Federal argues that many of the allegations in the complaint are "misrepresentations" made by Credit Repair Lawyers of America to "manufacture this case." (ECF No. 18, PageID.79.) It says that through its own independent investigation, it learned that Allen "renounced the Complaint." (*Id.*) But Credit Repair Lawyers of America submitted an email exchange showing that it asked Allen to review the key allegations for accuracy before filing the complaint, and she confirmed that they were true. (ECF No. 21-3, PageID.107.) So the Court cannot find that Credit Repair Lawyers of America misrepresented facts to "manufacture" Allen's case.

Thus, considering this case in its entirety and in the exercise of its discretion, the motion for sanctions is DENIED.

SO ORDERED.

Dated: February 22, 2023

s/Laurie J. Michelson
LAURIE J. MICHELSON
UNITED STATES DISTRICT JUDGE